

Analysis of Non-Property Tax Revenue and Municipal Budget Reductions/Efficiencies



Town Administrator
January 6, 2015



Clarification 1

- The OSC has recommended \$2.9 million in additional non-property tax revenue and municipal budget reductions/efficiencies in order to reduce the impact on the taxpayers-in all scenarios.
- These municipal reductions and efficiencies are exclusive of other reductions that would result if the Override fails.



Clarification 2

- The OSC plan reflects a three-year funding approach. It is anticipated that most of the fee increases and budget efficiencies would take place in Year 2 or 3 of the plan.
- All budgets are based on assumptions. The longer the budget duration, the less certain these assumptions are. There will be some changes as Years 2 and 3 unfold.



Summary of OSC Recommendations

Non- Tax Revenue	\$2,316,000
Municipal Budget Reductions	<u>\$ 563,000</u>
TOTAL	\$2,879,000



Breakdown of OSC Recommendations

Non-Property Tax Revenue

Municipal

Parking Meter Rates	850,000	Increase from \$1.00/hour to \$1.25/hour
Refuse Fee	615,000	Increase from \$200/year to \$250/year
Library Materials Fines	40,000	Increase late book and DVD fines by \$.05 and \$.25/day
Cemetery Fees	16,000	Increase schedule of fees by 10%
Soule Childcare Rates	<u>273,000</u>	Increase tuition to "market rate"
Subtotal Municipal	1,794,000	

School

Extended Day Rental	147,000	Initiate rental agreement
BEEP Rental	150,000	Increase to "market rate"
Baldwin Rental	25,000	Initiate rental agreement
	<u>200,000</u>	Winter sports use
School Use Evenings/Weekends		
Subtotal School	522,000	

TOTAL REVENUE **\$2,316,000**



Breakdown of OSC Recommendations

Municipal Expenditure Reductions/Efficiencies

Library Books and Materials	\$ 50,000	Offset with Trust Fund Revenue
Modify Solid Waste Program (PAYT)	\$440,000	
Outsource Grounds Maintenance	<u>\$ 73,000</u>	
TOTAL	\$522,000	



Staff Analysis- Revenue

- Parking Meter Revenue \$850,000
 - Should not be accomplished without upgrading all meters in commercial areas to digital units. Capital costs covered via CIP. Offsetting operating expenses to be recovered through commercial and temporary parking permit increases
 - Meets OSC Target of \$850,000



Staff Analysis- Revenue

- Refuse Fee \$615,000
 - PAYT will automatically generate up to \$220,000 in additional revenue from “overflow” charges. This will require a fee increase to \$230/year to meet the target (not \$250 year)
 - Meets OSC Target of \$615,000



Staff Analysis- Revenue

- Library Fines \$40,000
 - The Library Trustees will support \$20,000 in fine increases
 - Does not meet OSC target -\$20,000



Staff Analysis

- Cemetery Fees \$16,000
 - Meets OSC Target of \$16,000



Staff Analysis- Revenue

- Soule Recreation Center \$273,000
 - The Recreation Department supports 100% cost recovery but does not support reaching a “market rate”.
 - Does not meet OSC target -\$173,000



Staff Analysis- Revenue

- Rental of School Buildings/Facilities
 - School Committee had already initiated/increased fees to support the FY 2015 budget, thereby limiting the availability of additional rental revenue in FY 2016 and beyond. In addition, the proposed level of increases is not supported by the School Committee.
 - Does not meet OSC target -\$434,000



Staff Alternative Revenue Recommendations

- PILOT Payments \$50,000
 - This will require a concerted policy goal and leadership by the Board of Selectmen



Staff Alternative Revenue Recommendations

- On-Line Transactional Fee for MVE \$45,000
 - Most other transactional costs are incorporated within the base rate or are absorbed by the Town for “convenience” or as an incentive



Staff Analysis- Expenditures

- Library Books and Materials \$50,000
 - Library Trustees are not supportive. State regulations governing municipal appropriations for public libraries would likely result in “de-certification.
 - Does not meet OSC target -\$50,000



Staff Analysis- Expenditures

- Outsourcing Grounds Maintenance \$73,000
 - Additional analysis of this proposal is required. We believe we can achieve the financial target with this or related efficiencies
 - Meets OSC target of \$73,000



Staff Analysis- Expenditures

- Solid Waste Program \$440,000
 - Conversion to PAYT and related changes will result in significant budget savings
 - Meets OSC target of \$440,000



Summary of Staff Analysis

OSC Revenue Target	\$2,316,000
Staff Analysis	<u>\$1,784,000</u>
Shortfall	\$ 532,000
OSC Expenditure Target	\$ 563,000
Staff Analysis	<u>\$ 513,000</u>
Shortfall	\$ 50,000
TOTAL SHORTFALL	\$ 582,000



Options to Address Shortfall

- Increase Tax Override
- Identify Alternative Revenues or Expenditures
- Assume Risk that Assumptions will be Exceeded